CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

February 3, 2004

INVOCATION
Rev. Gary Hanson of Bethel Lutheran Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG
Councilmember Mariscal led the pledge of allegiance.

CALL TO ORDER
Mayor Lavagnino called the meeting to order at 6:30 p.m.

ROLL CALL
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino.

ALSO PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Montandon, Director of Administrative Services Cox, Fire Chief Ortiz, Police Chief Macagni, Director of Public Works Karp, Utilities Manager Chisam, Senior Deputy City Attorney Stockton, Planning Division Manager Bierdzinski, and Chief Deputy City Clerk Perez.

COMMENDATION FOR WILLIE GALVAN
On motion by Councilmember Orach, second by Councilmember Patino, and carried on the following vote:

AYES:	Councilmembers Mariscal, Orach, Patino, Trujillo, Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2004-11 was adopted commending Willie Galvan for his dedicated service as a member of the Block Grants Advisory Committee.

Resolution No. 2004-11 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, RECOGNIZING AND COMMENDING WILLIE GALVAN FOR HIS OUTSTANDING SERVICE TO THE CITIZENS OF SANTA MARIA AS A MEMBER OF THE BLOCK GRANTS ADVISORY COMMITTEE.

Councilmember Mariscal presented the Resolution to Willie Galvan.

PRESENTATION BY ALICE SHAW ELEMENTARY SCHOOL
Mrs. Trenev's 5th and 6th grade class from Alice Shaw Elementary School gave a brief presentation on their 2004 class project, "Take a Stand, Protect Our Land." Essays were read by Brittany Edens, Kelsey Houston, Audrey Horn, Haley Hernandez, Victoria Huber, McKensie Hedges, Emily Corpella, and Jacob Lopez regarding the importance of recycling.

CONSENT CALENDAR
Consent Calendar Items A through I were accepted, approved with the indicated action, and ordered ratified on motion by Councilmember Mariscal, seconded by Councilmember Trujillo, and carried on the following vote:

AYES:	Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	Councilmembers Orach and Patino on Item 2B only

A. ORDINANCES
Recommendation of City Staff to waive the reading in full of all ordinances. Ordinances on the Consent Calendar will be adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of January 20, 2004, were approved as corrected. (Councilmembers Orach and Patino abstained on this item only.)

C. WARRANTS.
Warrant Nos. 110341 to 110623 in the amount of $1,922,423.52 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 110198, 108743, 110157, 110188, 110244, 110290, and 110342 were cancelled.

D. PAYROLL.
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads as shown on records on file in the Administrative Services Department and having been approved for payment by the Director of Administrative Services.

E. ORDINANCE NO. 2004-01
Second reading was conducted of Ordinance No. 2004-01 making annual technical amendments to the Santa Maria Municipal Code, and the Ordinance was adopted.

Ordinance No. 2004-01 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA AMENDING VARIOUS SECTIONS OF THE SANTA MARIA MUNICIPAL CODE, RELATING TO PENALTIES FOR CODE VIOLATIONS, REMOVAL FROM EMPLOYMENT, THE CITY TREASURER, PUBLIC RECORDS, CLAIMS PRESENTATION, ITINERANT SHOWS, SOLICITORS, APPEAL PROCEDURES, NOISE ENFORCEMENT, PROPERTY NUISANCE, AND MAINTENANCE ON PUBLIC WORKS.

F. FUELING FACILITY UPGRADE
Resolution No. 2004-12 was adopted approving an agreement with B & T Service Station Contractors in the amount of $235,750.00 for the Fueling Facility Upgrade Project, Bid No. 2004/09.

Resolution No. 2004-12 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH B & T SERVICE STATION CONTRACTORS FOR FUELING FACILITY UPGRADE, BID NO. 2004/09.

G. LOADING ZONE
Resolution No. 2004-13 was adopted approving the establishment of a loading zone at 1133 West Cypress Street.

Resolution No. 2004-13 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING A LOADING ZONE ON WEST CYPRESS STREET PURSUANT TO SECTION 7-5.05 OF THE SANTA MARIA MUNICIPAL CODE.

H. NO STOPPING ZONE
Resolution No. 2004-14 was adopted approving the establishment of a no stopping zone on South Oakley Avenue in the 500 block.

Resolution No. 2004-14 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING NO STOPPING ZONES ON SOUTH OAKLEY AVENUE PURSUANT TO SECTION 7-5.16 OF THE SANTA MARIA MUNICIPAL CODE.

I. NO STOPPING ZONE
Resolution No. 2004-15 was adopted approving the establishment of three no stopping zones in front of 1233 Furukawa Way.

Resolution No. 2004-15 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING A NO STOPPING ZONE ON FURUKAWA WAY PURSUANT TO SECTION 7-5.16 OF THE SANTA MARIA MUNICIPAL CODE.

PUBLIC COMMENT PERIOD

George Highland spoke regarding an incident in Atascadero when he was Mayor in 1995-96.

Jim Gunn clarified comments made at the last meeting regarding a conversation with Attorney James Holland and allegations against the City Attorney.

Sharon Henning spoke in favor of fluoridation.

Ernest Armenta spoke regarding a tree root problem on the corner of W. Fesler and Pine Streets, against Proposition 56 and Measure V, in favor of having the Police Department build a rapport with the striking grocery workers, and against annexing Orcutt into the City.

James Watson spoke against fluoridation.

James May spoke in support of City Manager Ness, in favor of affordable housing, and suggested the development of a monthly report on how the City is meeting its housing needs.

TAXICAB ORDINANCE

Senior Deputy City Attorney Stockton gave the Staff Report. The proposed ordinance would allow taxicab service to be established through a permitting system. A person wishing to provide taxi service would be required to submit a complete application to the Clerk. The Clerk would return incomplete applications to the applicant and forward complete ones to the Administrative Services Director. The Director would issue a certificate to operate only upon a determination that the public need and convenience require another taxicab operation in the City. Under the permitting system, taxicab operations would be strictly regulated for safety. Taxicabs would need to display current inspection "pass" stickers and be safe, neat and clean at all times. The proposed ordinance would also authorize but not require the Council to obtain taxi service through one or more franchises. A franchise would grant the right to use City streets based on terms of an agreement and would normally include a franchise fee.

On September 16, 2003, the City Council adopted a regular and urgency ordinance addressing taxicab service. The ordinances limited issuance of certificates to those businesses that had already applied. The ordinances also redefined the term "taxicab" and placed an expiration date of March 31, 2004, on new certificates to operate taxicab businesses in Santa Maria in order to allow evaluation of taxicab service and prepare a new ordinance. Five different businesses have received certificates of public necessity and convenience to operate in Santa Maria during the past five years. Three companies – Santa Maria Valley Taxi, Yellow Cab Company, and Beach Cities Cab Company – have active certificates to operate at this time.

Using overheads, Senior Deputy City Attorney displayed the similarities between the proposed ordinance and the existing ordinance. She then discussed the differences. The new ordinance proposes the following material changes to taxicab regulation: prospective certificate holders would need to submit all required materials to the City at once, or have their application rejected as incomplete; in evaluating need and convenience, considerations would include the prospective holder's plans to promote Santa Maria as a destination for travelers, businesses and families, and proposed safety and training plans; a certificate holder would not be prohibited from transporting items other than passengers and baggage; certificates would need to be renewed annually, and taxis inspected at least annually; taxis would need to display inspection "pass" stickers at all times and also be safe and clean at all times; anyone who operates a taxicab business or drives a taxicab without required certificates or permits would face impound of his/her taxicabs by the police; the certificate holder would need to provide an annual report to the City, including information about complaints; the City Council could decide at a future date to enter into a

franchise agreement with one or more taxicab services as an alternative to the regulatory system spelled out in the ordinance; and the ordinance contains a provision stating that it imposes duties only to promote the general welfare. and not for the purpose of becoming liable for damages to any individual.

A survey was conducted of sixteen cities similar to Santa Maria. The results of the survey were displayed for the benefit of Council and the audience.

Councilmember Trujillo asked what information would be included in the annual report.

Senior Deputy City Attorney Stockton responded it could highlight their operations, any complaints received and how they addressed the complaints.

Chief Deputy City Clerk Perez read into the record a letter dated February 3, 2004, from Jeff Goldenberg, President and Founder of Beach Cities Cab Company, Inc., supporting the proposed ordinance and commending Officer Prescott of the Police Department and Senior Deputy City Attorney Stockton.

William Wagener spoke on behalf of Yellow Cab Company and recommended the City promote business with fewer regulations rather than more regulation.

Marry Ann Cazzell spoke in support of her client, Anthony Romero, and Yellow Cab Company. She criticized the City for its handling of Yellow Cab Company and Mr. Romero in the past and said she hoped this new ordinance was not a way to try to keep her client from operating in the City of Santa Maria.

City Manager Ness refuted statements made by Ms. Cazzell.

Pat Casarez indicated he had resigned from Yellow Cab Company effective February 3, 2004, and was no longer associated with it. He said he didn't see much difference between the proposed ordinance and other ordinances from bigger cities.

Adam Wagener spoke in favor of Yellow Cab Company as its newest driver. He agreed with the annual inspections if there was no cost, the drug and alcohol testing for drivers, and maintaining clean and safe taxicabs.

Anthony Romero stated he had been involved with Yellow Cab Company since the beginning of time, and it was not true that he had not been involved for the past few months.

There were no further public comments.

Councilmember Trujillo commented that this had been a very controversial issue. The comments he had received from the public were that they wanted clean, safe taxicabs; and the complaints received related to only one or two companies. The Council had tried to be fair and would continue to be fair to all taxicab companies.

Councilmember Orach stated one of the biggest issues was the taxicab company not having insurance, and that was something the City could not allow. He agreed drug and alcohol testing for drivers was important.

Councilmember Patino commented she remembered Yellow Cab being given six months to correct violations. The City's most important concern is having safe transportation for its citizens. Annual inspections should be a part of doing business.

Councilmember Mariscal stated he was taken aback with Ms. Cazzell's comments regarding corruption and violations of the Brown Act and indicated it was Yellow Cab Company that was the direct cause of the City revising its taxicab ordinance. He asked how staff would determine community need.

Senior Deputy City Attorney Stockton explained she had collected determining factors from other cities' ordinances and provided those to the Director of Administrative Services.

It is not intended to be subjective, but rather inclusive. If a prospective company wanted to provide additional information to support their application, they could do that.

Councilmember Mariscal asked if the number of companies would be a deciding factor.

Senior Deputy City Attorney explained that it would not necessarily be the number of companies, but rather their operations and whether another company could make a go of it.

Councilmember Mariscal referenced a section of the ordinance relating to depots. He indicated he had a conversation with a person from the airport who was concerned about taxicab service at the airport especially late at night. He asked if that was something the taxicab companies needed to provide.

Senior Deputy City Attorney Stockton explained that the ordinance was not referring to the airport depot, but rather a taxi stand or depot.

Councilmember Patino stated the process the City currently had in place was too loose, and she liked that the application would have to be submitted complete to be accepted. She asked how the City would be notified if a taxi company's insurance was cancelled because of non-payment.

Senior Deputy City Attorney Stockton explained that before the policy or endorsement was accepted by the City, it would have to contain a provision that the City be given thirty-day notice of any change. The proposed ordinance also contains a requirement that the owners have a continuing obligation to keep their material on file with the City current.

Ordinance No. 2004-02 was introduced by title only for first reading and continued to the next regular meeting for second reading and adoption on motion by Councilmember Orach, second by Councilmember Patino, and carried on the following vote:

AYES:	Councilmembers Mariscal, Orach, Patino, Trujillo, Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Ordinance No. 2004-02 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA ADDING A NEW CHAPTER 4-10, RELATING TO TAXICABS.

APPOINTMENTS TO BOARDS AND COMMITTEES

Chief Deputy City Clerk Perez gave the Staff Report. There are five openings on the All-America City Committee, one opening on the Block Grants Advisory Committee, two openings on the Code Compliance Board, and three openings on the Landmark Committee. These vacancies were advertised and posted. Sufficient applications were received for the Block Grants Advisory Committee and the Code Compliance Board. Only four applications were received for the All-America City Committee, and only two applications for the Landmark Committee. Since all vacancies will not be filled with the current applications, staff will readvertise any remaining vacancies for appointment at a future meeting.

All-America City

Mayor Lavagnino appointed Don Brister, Bailey Hudson, Bob Orach, and David Coelho.

On motion by Mayor Lavagnino, second by Councilmember Mariscal, and carried unanimously, the appointment of Don Brister, Bailey Hudson, Bob Orach and David Coelho were confirmed to fill four of the five vacancies on the All-America City Committee for two-year terms.

Block Grants Advisory Committee:

Councilmember Mariscal nominated Raul Zermeno to fill the unexpired term.

On motion by Mayor Lavagnino, second by Councilmember Orach, and carried unanimously, the appointment of Raul Zermeno to the Block Grants Advisory Committee through July 2005 was confirmed.

Code Compliance Board:
Mayor Lavagnino appointed Harrell Fletcher and Jack Salling.

On motion by Mayor Lavagnino, second by Councilmember Orach, and carried unanimously, the appointment of Harrell Fletcher and Jack Salling was confirmed to the Code Compliance Board for two-year terms.

Landmark Committee:
On motion by Mayor Lavagnino, second by Councilmember Mariscal, and carried unanimously, Joseph Johnson and Muriel Robinson were appointed to fill two of the three vacancies on the Landmark Committee for three-year terms.

Staff was directed to readvertise the remaining vacancy on the All-America City Committee and on the Landmark Committee.

SECOND QUARTER BUDGET REPORT
Director of Administrative Services Cox gave the staff report. This quarterly financial report completes the second quarter of fiscal year 2003-04. The report concentrates on the General and Water Resources Funds and indicates no overall material budget variances. On January 9th, the Governor issued his proposed 2004-05 budget plan. The proposal relies on substantial spending cuts; a large shift of property taxes from local governments; as well as additional borrowing, deferrals, and fund shifts. Even with the serious spending reductions it proposes in 2004-05, the plan does not fully address the State's ongoing budget problem, leaving roughly a $6 billion shortfall between expenditures and revenues in 2005-06. Impacts to the City from budget actions include: $1.5 million Vehicle License Fee (VLF) gap "backfill" in fiscal year 2003-04, and in fiscal year 2004-05 a permanent, additional ERAF property tax shift of $319,450; cuts in transportation funds of about $276,000; and continuing this year's $60,050 ERAF shift from the City's Redevelopment Agency. The Local Economic Augmentation Fund (LEAF) set up by the City Council will bridge the financial gap of the General Fund for fiscal year 2004-05. In addition to covering the cuts listed over the next two years, the City will see substantial increases in PERS retirement and health costs, as well as pressure to increase services for a rapidly expanding population. Staff's worst case scenario is that all of the hits will occur, and the VLF of $4.6 million will permanently go away. If VLF goes away, the City Council should strongly consider revenue enhancement options.

With 50 percent of the year complete, revenues are at 59.6 percent of projections while expenditures are at 45.1 percent of projections. Revenues are higher than budgeted and on track with the prior year. Operational revenues were 12.3 percent higher than received last year at this time. Expenditures were 4 percent higher than last year. The top five revenue sources continue to be sales tax, vehicle license fees, property tax, hotel/bed tax, and licenses, permits and fines. The Water/Wastewater Fund has long-term commitments to purchase State Water through the year 2035. Total annual payments range from $15.3 million to $24.5 million. Actual cash and investments on hand total $25.4 million as of December 31, 2003. In the Solid Waste Fund, refuse revenues exceeded expenditures by $2 million. Refuse disposal is accumulating cash to provide for the closure of the landfill. The Landfill Closure Fund meets the current State requirements of $15.6 million.

Staff is also proposing a budget amendment which will approve new position and classification changes as a result of the 2003-04 budget.

William Wagener expressed concern that the financial report did not tell him anything he wanted to know and did not contain enough information.
James Watson stated he had heard the City was underwriting the Town Center Mall. He said it appeared the Governor's bond measure was not going to pass and there would have to be some cuts.

Resolution No. 2004-16 was adopted approving amendments to the budget for fiscal year 2003-04 on motion by Councilmember Orach, second by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2004-16 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA APPROVING AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 2003-04 AND AUTHORIZNIG THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER

City Manager Ness reported on items for the February 17, 2004, City Council meeting including a proclamation for Navy and Marine Corps Week, a Certificate of Appreciation for Jasmine Marshall, a public hearing on the Economic Development Element Update, SMAT Sunday Service and Fare Increase, the Chamber of Commerce's semi-annual report, the Workforce Housing Study from the Housing Element, and the award of bid for Fire Station No. 4.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS

Councilmember Trujillo reported on the Channel Counties Division of the League of California Cities meeting and the Filipino Community Annual Installation Dinner.

Councilmember Orach congratulated Bob Nichols and Allan Hancock College for the beautiful tiles that were being placed on the towers at the new Highway 101 overpasses.

Mayor Lavagnino also spoke on the Filipino Community Annual Installation Dinner and congratulated Angel Manual as the incoming President.

Councilmember Patino spoke regarding the individuals outside of Food Maxx soliciting donations supposedly for Meals on Wheels. She said it was a sham. She also commended Police Chief Macagni and his officers for the great job they did at the Michael Jackson arraignment and keeping the cost down.

Councilmember Mariscal complimented the children from Alice Shaw School. He said most of what they talked about was in the County of Santa Barbara and not within the City limits. He said the City's Public Works Department did a great job in encouraging recycling at the City's public parks. He also commended Chris Vaughn of the Santa Maria Police Department for his presentation at the Kiwanis Club meeting. He also complimented a local businessman, James Schillinger, and his staff for their wonderful customer service.

CLOSED SESSION

The City Council recessed at 8:35 p.m. to a Closed Session for Conference with Legal Counsel regarding existing litigation pursuant to Subsection (a) of Government Code Section 54956.9 to discuss Santa Maria Valley Water Conservation District v. City of Santa Maria, and Wagener v. City of Santa Maria; Conference with Legal Counsel regarding Initiation of Litigation – one matter pursuant to Government Code Section 54956.9 (c); and Conference with Legal Counsel regarding Anticipated Litigation – one matter pursuant to Government Code Section 54956.9.

Santa Maria Valley Water Conservation District v. City of Santa Maria – Status report.

Wagener v. City of Santa Maria - Status report. Direction to staff.

Initiation of Litigation (2 matters) – Status report. Direction to staff.

Anticipated Litigation (1 matter) – Direction to staff.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 10:26 p.m. by order of Mayor Lavagnino.

APPROVED 2-17-04
Date

ATTEST: _____
Chief Deputy City Clerk

_____
Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

_____
Mayor of the City of Santa Maria